

NOT FOR PUBLICATION

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

HARPREET SAINI and JOHN LESTER MANDAC
NATIVIDAD,

Defendants.

Civil No.: 22-5788

ORDER

CECCHI, District Judge.

This matter comes before the Court on plaintiff Securities and Exchange Commission's ("Plaintiff" or "SEC") Motion for Default Judgment against Defendant Harpreet Saini and Request for an Order for Monetary Relief against Defendants Harpreet Saini and John Lester Mandac Natividad (ECF No. 17). Defendant Natividad filed a cross-motion to stay (ECF No. 20), Plaintiff opposed the cross-motion (ECF No. 22), and Natividad replied in support (ECF No. 25). The Court decides this matter without oral argument pursuant to Federal Rule of Civil Procedure 78(b). Defendant Natividad's cross-motion to stay (ECF No. 20) is **GRANTED**.

WHEREAS the SEC alleges that Defendants Saini and Natividad (collectively, "Defendants") used their access to a press release distribution system to conduct insider trading. Natividad has a criminal case pending against him in Ontario, Canada (the "Canadian Proceeding") based on similar insider trading allegations; and

WHEREAS the Court has the discretion to stay a case, under certain circumstances, where there are simultaneously pending criminal proceedings. *Licon v. Tunnel Barrel & Drum Co.*, No. 22-CV-946, 2023 WL 2644373, at *2 (D.N.J. Mar. 27, 2023). "Deciding whether to stay a case requires an 'exercise of judgment, which must weigh competing interests and maintain an

even balance.”” *Cnty. of Monmouth v. Pfizer, Inc.*, No. CV222050, 2022 WL 17490541, at *2 (D.N.J. Dec. 7, 2022) (quoting *Landis v. N. Am. Co.*, 299 U.S. 248, 254–55 (1936)); and

WHEREAS here, the interests of justice weigh in favor of a stay. Given the similarity of the allegations in these proceedings and those in Canada, a stay would protect Natividad’s right against self-incrimination. *Frantatoro v. Grabato*, No. CV 23-53, 2023 WL 5605669, at *4 (D.N.J. Aug. 30, 2023) (granting stay and explaining that where there are related civil and criminal proceedings, “a defendant’s risk of self-incrimination is particularly acute”). The Court also remains cognizant of Natividad’s recent transition to being a *pro se* litigant. Contrary to Plaintiff’s arguments, a stay would not be “indefinite”; the trial in the Canadian Proceeding is set promptly for December 2024 (*see* ECF No. 25-1 ¶ 4), with efforts being made to possibly move that date even earlier (*id.*). Furthermore, mere delay of proceedings is insufficient to establish prejudice to the plaintiff under these circumstances. *Rocker Mgmt., L.L.C. v. Lernout & Hauspie Speech Prod. N.V.*, No. CV 00-5965, 2007 WL 9782799, at *1–3 (D.N.J. Dec. 28, 2007), *aff’d sub nom. Rocker Mgmt., LLC v. Lernout & Hauspie Speech Prod. N.V.*, No. CV 00-5965, 2008 WL 11509977 (D.N.J. Apr. 10, 2008); and

WHEREAS in order to avoid inconsistent rulings when there is a defaulting and a non-defaulting defendant, *see Alpine Fresh, Inc. v. Jala Trucking Corp.*, 181 F. Supp. 3d 250, 258 (D.N.J. 2016) (internal quotation marks and citation omitted), and in the interests of case management and fairness, this matter is hereby temporarily stayed and administratively terminated pending resolution of the Canadian Proceeding.

Accordingly, IT IS, on this 21st day of June, 2024,

ORDERED that Defendant Natividad’s Cross-Motion for a Stay (ECF No. 20) is granted, and this matter is hereby temporarily stayed and administratively terminated pending resolution of

the relevant Canadian Proceeding; and it is further

ORDERED that Defendant Natividad shall provide an update to the Court every 60 days until the Canadian Proceeding is resolved; and it is further

ORDERED that this matter shall be reinstated upon notice to the Court of resolution of the Canadian Proceeding; and it is further

ORDERED that within 30 days of the lifting of the stay, both parties shall file status letters to the Court, which shall include whether Plaintiff will seek to reinstate its pending motion or file an updated motion.

SO ORDERED.

/s/ Claire C. Cecchi

CLAIRE C. CECCHI, U.S.D.J.